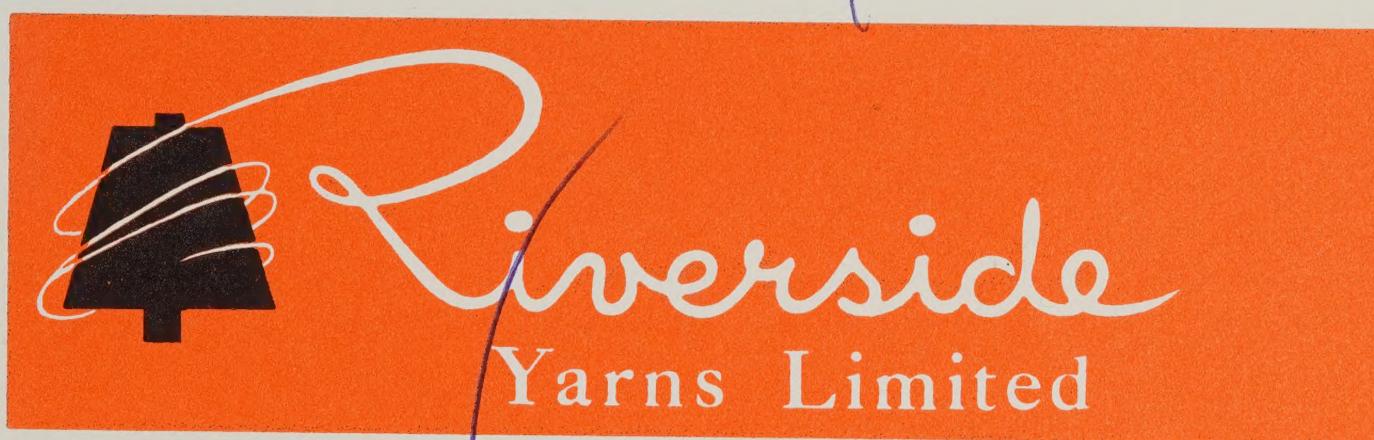


AR10

ANNUAL REPORT

1970



1970



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Directors

R. J. ANDERSON
J. S. DEACON
S. E. EDWARDS, Q.C.
A. GOLD
WM. W. LAIRD, Q.C.

Officers

A. GOLD,
PRESIDENT
WM. W. LAIRD, Q.C.,
EXECUTIVE VICE PRESIDENT
L. R. DOBBIN,
VICE PRESIDENT & GENERAL MANAGER
S. E. EDWARDS, Q.C.,
SECRETARY

Head Office and Plant

GALT, Ontario

Bankers

Royal Bank of Canada

Solicitors

Fraser & Beatty

Transfer Agents and Registrars

National Trust Company,
Toronto

Auditors

Thorne, Gunn, Helliwell &
Christenson
Chartered Accountants, Toronto

Annual Meeting

June 10, 1971 — 10:30 a.m.
Head Office, Galt, Ontario

Report of the directors

TO THE SHAREHOLDERS

On behalf of the Board of Directors, I have pleasure in submitting the Annual Report for the year ended December 31, 1970, along with the Financial Statements and the Report of the Auditors.

FINANCIAL HIGHLIGHTS

	1970	1969	% INCREASE or (DECREASE)
Net Sales	\$4,720,000	\$4,797,000	(1%)
Net Profit (Loss)	(144,000)	93,000	
Net Profit (Loss) Per Common Share	(1.20)	.19	
Cash Flow from Operations	30,000	322,000	(91%)
Long-Term Debt	515,000	655,000	(21%)
Working Capital	490,000	414,000	18%
Working Capital Ratio	1.43:1	1.35:1	6%

SALES

Sales dollars for the year 1970 were approximately the same as 1969, however, pounds of yarn sold were up 19%.

The two main reasons for this difference were the extreme deterioration in stretch nylon fine denier prices and the switch in emphasis in the last half of the year to heavier denier polyester and nylon yarns for double knit fabrics.

EARNINGS

The net loss of \$144,000 resulted mainly from the reduction of sheer hosiery yarn margins, the high cost of operating the equipment that was suitable only for sheer hosiery yarns, bad debt losses in the sheer hosiery business and the resulting decision to discontinue this department in the final quarter.

Other factors affecting profits adversely in 1970 were:

- a) Increased supply, wage and salary costs.
- b) Decreased margins on all products manufactured.
- c) High short term interest costs.
- d) Increased depreciation on capital acquisitions made in 1969.

The increase in the reported net loss over the figures previously reported results from a change in the estimate of income taxes recoverable.

BALANCE SHEET

Working capital shows an increase of \$76,000 (18%) primarily the proceeds from sale of outdated equipment.

Inventories show a reduction of \$128,000 (20%) resulting from discontinuance of the textured sheer hosiery yarn and polypropylene yarn extrusion departments.

Receivables show an increase of \$103,000 (12%) caused mainly by slow payments by sheer hosiery manufacturers.

Long Term Debt was reduced by \$140,000 (21%).

THE OUTLOOK

Plans for 1971 include capital expenditures of \$500,000 to be spent on machinery which will produce yarns for double knit fabrics for ladies' and men's outerwear. Financial arrangements have been made with the Industrial Development Bank to cover these expenditures.

Your company is in a much stronger position than at this time last year. With the Canadian economy projected to improve throughout the year, we anticipate profitable operations during 1971.

UNION AGREEMENT

The labour relations agreement with the union representing our employees expires December 31, 1971.

EMPLOYEES

We wish to express our thanks to all our employees for their loyalty and support through a very difficult year.

A. GOLD,
President

AUDITORS' REPORT

TO THE SHAREHOLDERS OF RIVERSIDE YARNS LIMITED

We have examined the balance sheet of Riverside Yarns Limited as at December 31, 1970 and the statements of profit and loss, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1970 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON,
Chartered Accountants.

Galt, Ontario
February 16, 1971

Riverside Yarns Limited

STATEMENT OF PROFIT AND LOSS

Year Ended December 31, 1970

(with comparative figures for 1969)

	1970	1969
Sales	\$4,719,889	\$4,797,135
Cost of goods sold, excluding depreciation	4,173,538	4,070,176
<hr/>	<hr/>	<hr/>
Gross profit, excluding depreciation	546,351	726,959
<hr/>	<hr/>	<hr/>
Selling and administrative expenses	449,518	330,138
Interest on long-term debt	72,653	46,425
Financing expenses amortized	4,066	1,665
<hr/>	<hr/>	<hr/>
	526,237	378,228
<hr/>	<hr/>	<hr/>
Profit before undenoted items	20,114	348,731
Profit (loss) on sale of fixed assets	(32,887)	10,845
<hr/>	<hr/>	<hr/>
Depreciation	(12,773)	359,576
<hr/>	<hr/>	<hr/>
Profit (loss) before income taxes	262,234	183,577
<hr/>	<hr/>	<hr/>
Income taxes (note 6)		
Current (recoverable)	(38,959)	38,959
Deferred (reduction)	(91,764)	44,436
<hr/>	<hr/>	<hr/>
	(130,723)	83,395
<hr/>	<hr/>	<hr/>
NET PROFIT (LOSS) FOR THE YEAR (note 9)	<u><u>\$ (144,284)</u></u>	<u><u>\$ 92,604</u></u>
<hr/>	<hr/>	<hr/>

STATEMENT OF RETAINED EARNINGS

Year Ended December 31, 1970

(with comparative figures for 1969)

	1970	1969
Balance at beginning of year	\$ 634,056	\$ 608,066
Net profit (loss) for the year	(144,284)	92,604
<hr/>	<hr/>	<hr/>
	489,772	700,670
<hr/>	<hr/>	<hr/>
Dividends on Class A shares	—	60,000
Expenses re capital reorganization	7,293	6,614
<hr/>	<hr/>	<hr/>
	7,293	66,614
<hr/>	<hr/>	<hr/>
BALANCE AT END OF YEAR	<u><u>\$ 482,479</u></u>	<u><u>\$ 634,056</u></u>
<hr/>	<hr/>	<hr/>

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year Ended December 31, 1970
(with comparative figures for 1969)

	1970	1969
SOURCE OF FUNDS		
Operations		
Net profit (loss) for the year	\$ (144,284)	\$ 92,604
Items not involving current funds		
Depreciation	262,234	183,577
Financing expenses amortized	4,066	1,665
Deferred income taxes	(91,764)	44,436
(Profit) loss on sale of fixed assets	32,887	(10,845)
	<hr/> 63,139	<hr/> 311,437
Proceeds from sale of fixed assets	179,296	29,493
Advances under mortgages payable	<hr/> —	<hr/> 300,000
	<hr/> 242,435	<hr/> 640,930
APPLICATION OF FUNDS		
Additions to fixed assets	18,861	632,762
Principal on long-term debt paid or included in current liabilities	140,400	139,900
Financing expenses incurred	150	8,891
Dividends on Class A shares	<hr/> —	<hr/> 60,000
Expenses re capital reorganization	7,293	6,614
	<hr/> 166,704	<hr/> 848,167
INCREASE (DECREASE) IN WORKING CAPITAL	75,731	(207,237)
WORKING CAPITAL AT BEGINNING OF YEAR	414,273	621,510
WORKING CAPITAL AT END OF YEAR	<hr/> \$ 490,004	<hr/> \$ 414,273

Riverside Yarns Limited

(Incorporated under the laws of Ontario)

BALANCE SHEET — DECEMBER 31, 1970

(with comparative figures at December 31, 1969)

ASSETS

	1970	1969
CURRENT ASSETS		
Accounts receivable	\$ 947,170	\$ 844,315
Income taxes recoverable	42,707	33,568
Inventories (note 1)	511,801	639,491
Prepaid expenses	73,828	80,683
Deposits on equipment purchases (note 2)	41,063	—
	<hr/> 1,616,569	<hr/> 1,598,057
FIXED ASSETS (note 3)		
Land, buildings, machinery and equipment	2,171,846	2,596,896
Less accumulated depreciation	1,281,503	1,250,997
	<hr/> 890,343	<hr/> 1,345,899
DEFERRED FINANCING EXPENSES	8,153	12,069
	<hr/> \$2,515,065	<hr/> \$2,956,025

LIABILITIES

	1970	1969
CURRENT LIABILITIES		
Bank advances (note 4)	\$ 421,609	\$ 386,599
Accounts payable and accrued liabilities	533,165	623,420
Taxes payable	31,391	18,365
Dividends payable	—	15,000
Principal due within one year on long-term debt	140,400	140,400
	<hr/> 1,126,565	<hr/> 1,183,784
LONG-TERM DEBT (note 5)	514,600	655,000
DEFERRED INCOME TAXES (note 6)	33,421	125,185

SHAREHOLDERS' EQUITY

CAPITAL STOCK (notes 7 and 8)

Authorized

120,000 Class A \$.50 cumulative convertible voting
shares without par value

290,000 Common shares without par value

Issued

120,000 Class A shares	}	358,000	358,000
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170,000 Common shares

RETAINED EARNINGS	482,479	634,056
	<hr/> 840,479	<hr/> 992,056
	<hr/> \$2,515,065	<hr/> \$2,956,025

COMMITMENTS (note 2)

Approved by the Board

Director: A. GOLD

Director: WM. W. LAIRD, Q.C.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1970

1. INVENTORIES	1970	1969
Raw materials	\$ 102,594	\$ 105,792
Work in process	115,657	89,962
Finished goods	293,550	443,737
	<hr/>	<hr/>
	\$ 511,801	\$ 639,491
	<hr/>	<hr/>

Raw materials are valued at lower of cost and replacement cost. Work in process and finished goods are valued at lower of cost and net realizable value.

2. COMMITMENTS

The company is committed to capital expenditures in 1971 in the approximate amount of \$460,000 of which \$41,063 had been advanced as deposits on equipment purchases at December 31, 1970. Long-term financing has been arranged to cover the full cost of these additions.

3. FIXED ASSETS

	1970			1969
	Asset value	Accumulated depreciation	Net	Net
Land	\$ 6,600		\$ 6,600	\$ 6,600
Buildings	381,126	\$ 256,560	124,566	131,118
Machinery and equipment	1,784,120	1,024,943	759,177	1,208,181
	<hr/>	<hr/>	<hr/>	<hr/>
	\$2,171,846	\$1,281,503	\$ 890,343	\$1,345,899
	<hr/>	<hr/>	<hr/>	<hr/>

Fixed assets are valued at replacement value as of April 20, 1928 as per appraisal of Dominion Appraisal Co., Limited with subsequent additions at cost.

4. BANK ADVANCES

Accounts receivable and inventories are pledged as security for bank advances.

5. LONG-TERM DEBT

	1970	1969
6½% First mortgage sinking fund bonds, Series A, maturing September 15, 1972	\$ 70,000	\$ 80,000
9% Mortgage loan, maturing February 22, 1975	335,000	415,400
12% Mortgage bond, maturing December 15, 1975	250,000	300,000
	<hr/>	<hr/>
	655,000	795,400
Less principal included in current liabilities	140,400	140,400
	<hr/>	<hr/>
	\$ 514,600	\$ 655,000
	<hr/>	<hr/>

Riverside Yarns Limited

5. LONG-TERM DEBT (Continued)

Principal due within each of the next five years is as follows:

1971	\$140,400
1972	190,400
1973	130,400
1974	130,400
1975	63,400

6. INCOME TAXES

The company charges earnings with income taxes currently payable and also with income taxes deferred by claiming capital cost allowance in amounts differing from depreciation recorded in the accounts. The accumulated total of such income tax deferrals is reflected in the balance sheet as "Deferred income taxes".

7. CAPITAL STOCK

Dividends have not been paid on Class A shares with respect to the year ended December 31, 1970. Arrears amount to \$.50 per share totalling \$60,000.

Conditions attaching to the mortgage loans place certain restrictions on the payment of dividends.

8. CAPITAL REORGANIZATION

By supplementary letters patent dated January 7, 1970 the company's authorized and issued capital stock was changed as follows:

- Each of the issued and unissued common shares were subdivided into two new common shares.
- The Class A shares were reclassified into cumulative convertible Class A shares and new common shares on the basis of four new Class A shares and three new common shares for each old Class A share.

The new Class A shares are convertible into new common shares on the basis of one common share for each two Class A shares converted.

- All unpaid accumulated and accrued dividends on the old Class A shares were terminated and extinguished.

As of December 31, 1969 the authorized and issued capital of the company was as follows:

Authorized

30,000 Class A \$2 cumulative participating shares without par value
100,000 Common shares without par value

Issued

30,000 Class A shares	40,000 Common shares	\$358,000
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9. NET PROFIT PER COMMON SHARE

Net profit (loss) per common share, based on 1970 capitalization, after provision for cumulative dividends on Class A shares: 1970, (\$1.20); 1969, \$.19.

10. COMPARATIVE FIGURES

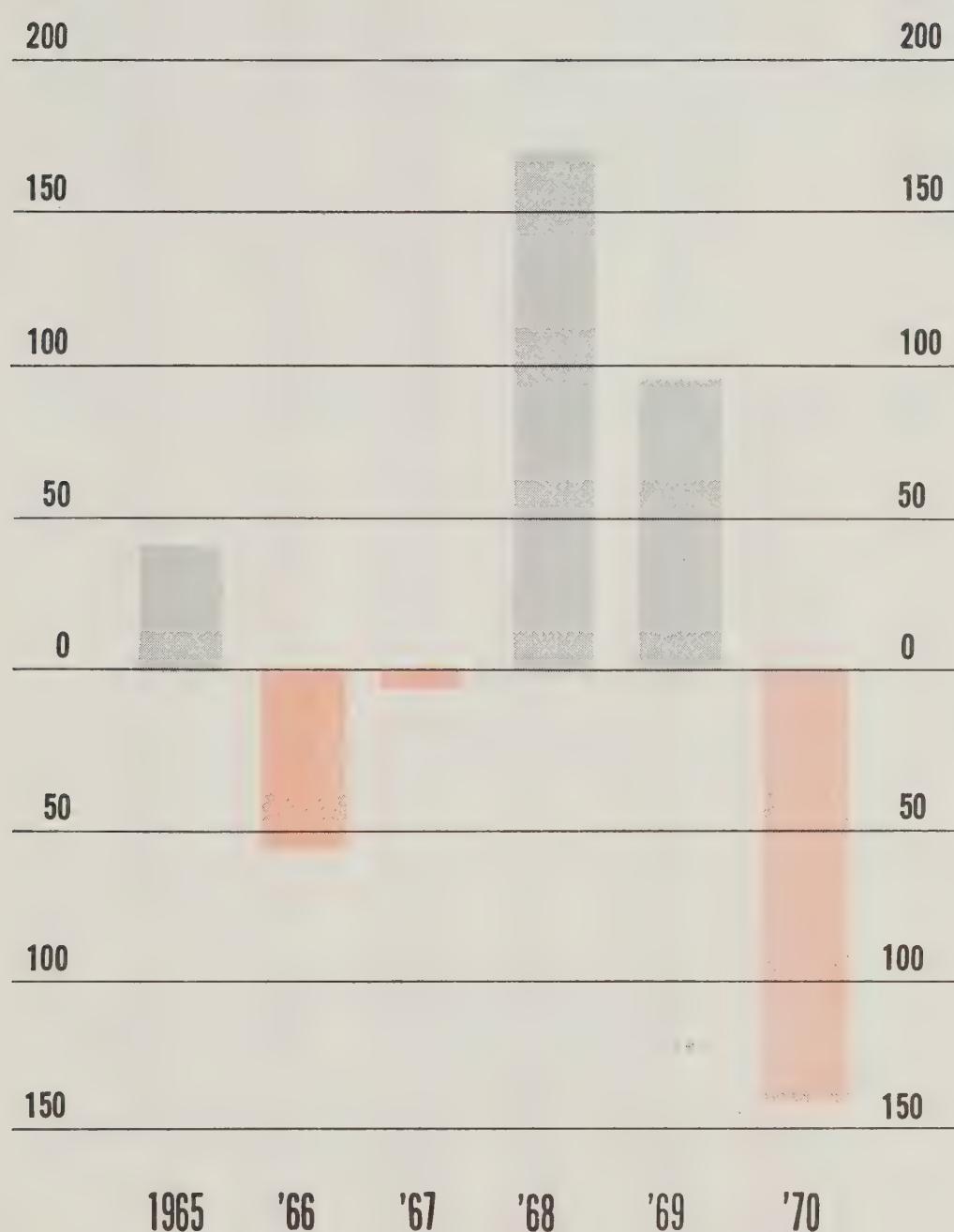
Certain figures for 1969 have been reclassified in order to present them in a form comparable with those for 1970.

11. OTHER STATUTORY INFORMATION

	1970	1969
Direct remuneration of directors and senior officers (as defined by The Business Corporations Act, 1970)	\$81,504	\$83,323

PROFIT and LOSS

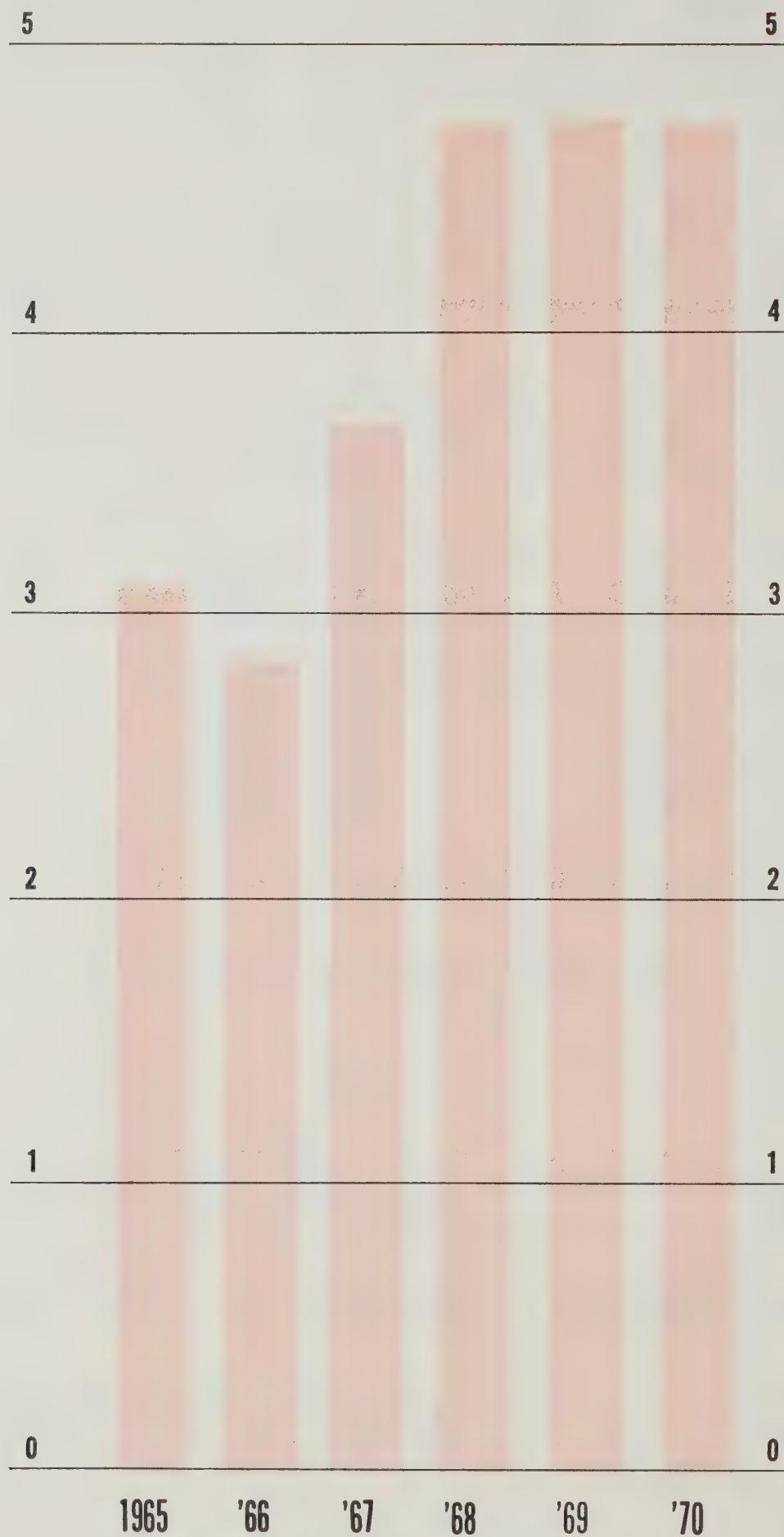
Thousands of dollars



Riverside Yarns Limited

SALES

SALES IN MILLIONS OF DOLLARS



Six Year
Financial Summary
See Overleaf

SIX YEAR FINANCIAL SUMMARY

INCOME AND EXPENSE

	1970	1969	1968	1967	1966	1965
Sales	\$4,719,889	\$4,797,135	\$4,745,554	\$3,615,773	\$2,792,888	\$3,144,077
Cost of goods sold excluding depreciation	4,173,538	4,070,176	3,982,072	3,266,049	2,533,180	2,744,846
Gross profit	546,351	726,959	763,482	349,724	259,708	399,231
Selling and administrative expenses	448,218	327,538	286,648	223,626	194,878	179,994
Directors' fees	1,300	2,600	1,300	1,800	1,500	2,200
Interest on long-term debt	72,653	46,425	23,483	30,105	33,692	40,800
Financing expenses amortized	4,066	1,665	1,636	2,157	2,448	3,389
	526,237	378,228	313,067	257,688	232,518	226,383
Profit before undenoted items	20,114	348,731	450,415	92,036	27,190	172,848
Profit (loss) on sale of fixed assets	(32,887)	10,845	2,399	999	(998)	(1,440)
Depreciation	(12,773)	359,576	452,814	93,035	26,192	171,408
	262,234	183,577	123,146	96,998	109,547	119,806
Profit (loss) before income taxes	(275,007)	175,999	329,668	(3,963)	(83,355)	51,602
Income taxes						
Current	(38,959)	38,959	71,329	—	—	—
Deferred	(91,764)	44,436	85,861	(299)	(29,404)	9,901
	(130,723)	83,395	157,190	(299)	(29,404)	9,901
Net profit (loss) for year	\$ (144,284)	\$ 92,604	\$ 172,478	\$ (3,664)	\$ (53,951)	\$ 41,701

FINANCIAL AND OTHER INFORMATION

	1970	1969	1968	1967	1966	1965
Working capital	490,004	414,273	621,510	526,155	549,339	622,349
Working capital ratio	1.43:1	1.35:1	1.68:1	1.60:1	1.64:1	1.83:1
Long-term debt	514,600	655,000	494,900	243,520	350,480	400,880
Shareholders' equity	840,479	992,056	966,066	793,588	769,252	838,203
Number of shares outstanding — Class A	120,000	120,000	120,000	120,000	120,000	120,000
Common	170,000	170,000	170,000	170,000	142,000	142,000
Equity per share	— Class A	3.19	3.42	2.74	2.94	3.20
Common		2.69	3.42	3.33	2.74	3.20
Net profit (loss) per share	— Common	(1.20)	.19	1.01	(.02)	.08
Dividends paid per share	— Class A		.50	—	.125	.25
Common	—	—	—	—	—	—
Dividend arrears per share	— Class A	.50	—	—	—	—
Cash flow from operations	30,252	322,282	383,121	95,192	28,640	176,237
% of cash flow to shareholders' equity	3.6%	32.4%	39.7%	12.0%	3.7%	21.0%
Purchase of fixed assets	18,861	632,762	544,379	43,254	42,260	74,606
Fixed assets (net)	890,343	1,345,899	915,362	500,857	558,439	631,736

NOTE: Number of shares outstanding and per share items have been restated for years prior to 1970 to reflect the 1970 capital reorganization.

MEMORANDA



YARNS LIMITED

ANNUAL AND GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and general meeting of shareholders of RIVERSIDE YARNS LIMITED will be held at the head office of the Corporation, 15 Melville Street S., Galt, Ontario, on Thursday, the 10th day of June, 1971, at the hour of 10:30 o'clock in the forenoon (eastern daylight saving time) for the following purposes:

1. To receive the financial statements of the Corporation as at December 31, 1970, and the reports of the directors and auditors thereon;
2. To elect directors;
3. To appoint auditors;
4. To consider and, if thought fit, to confirm (subject to such amendments and/or additions and/or changes, if any, as may be approved at the meeting) By-laws Nos. 40, 41 and 42, particulars of which are set forth in the accompanying information circular;
5. To transact such further and other business as may properly come before the meeting or any adjournment or adjournments thereof.

DATED at Galt this 18th day of May, 1971.

By order of the Board,
S. E. EDWARDS,
Secretary.

NOTE: If you are unable to be present personally at the meeting and are the holder of common shares or Class A shares of the Corporation, please complete, sign and return the enclosed form of proxy in the envelope provided for that purpose.

INFORMATION CIRCULAR

The information contained in this circular is furnished in connection with the solicitation of proxies by the management of RIVERSIDE YARNS LIMITED (hereinafter called the "Corporation") for use at the annual and general meeting (hereinafter called the "meeting") of shareholders of the Corporation to be held on Thursday, the 10th day of June, 1971, at 10:30 o'clock in the forenoon, (eastern daylight saving time) at the head office of the Corporation, 15 Melville Street S., Galt, Ontario, for the purposes set forth in the foregoing notice of meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by employees of the Corporation. The cost of solicitation will be borne by the Corporation.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The holders of common shares without par value (hereinafter called "common shares") and the holders of Class A shares without par value (hereinafter called "Class A shares") of the Corporation will be entitled to vote at the meeting. Each holder of common shares and each holder of Class A shares of the Corporation, of record at the close of business on June 8, 1971 is entitled to one vote for each such share held. As at the date hereof there are 170,000 common shares and 120,000 Class A shares of the Corporation outstanding.

ELECTION OF DIRECTORS

The following are the names of the persons for whom it is intended that votes will be cast for their election as directors pursuant to the proxy which is hereby solicited: J. S. Deacon, Abe Gold, W. W. Laird, Q.C., R. J. Anderson and S.E. Edwards, Q.C.

The term of office for each such person will be until the next annual meeting or until his successor is elected or appointed. In the event that prior to the meeting any vacancies occur in the slate of nominees submitted above it is intended that discretionary authority shall be exercised to vote the proxy hereby solicited for the election of any other person or persons as directors.

INFORMATION CONCERNING NOMINEES AS DIRECTORS

Name and present principal occupation	Other positions and offices with the Corporation	Year first became a Director	Common Shares	Class A Shares	Approximate number of shares of the Corporation beneficially owned, directly or indirectly
John S. Deacon, President, F. H. Deacon & Company Limited, (Investment dealers and stock brokers)	—	1955	1,161	292	
Abe Gold, President, Sayvette Limited, (General merchandising company)	President	1967	20,002	—	
William W. Laird, Q.C., Solicitor	Executive Vice-President	1967	200	—	
Robert J. Anderson, Professional engineer, consultant	—	1962	2,300	2,800	
Stanley E. Edwards, Q.C., Solicitor	Secretary	1961	405	300	
Fraser & Beatty (Barristers and solicitors)					

All nominees as directors have continuously served as directors of the Corporation from the years indicated.

REMUNERATION OF MANAGEMENT AND OTHERS

The aggregate direct remuneration paid by the Corporation to the directors and senior officers of the Corporation during 1970 was \$81,504.

MANAGEMENT CONTRACT AND INTEREST OF MANAGEMENT THEREIN

The agreement with Mr. Abe Gold and Montor Management Limited, dated June 15, 1967 as amended from time to time, wherein Montor Management Limited was engaged to provide the management services of Mr. Abe Gold, expired on May 31, 1970. Particulars of that agreement and the amendments thereto have been disclosed in the Information Circulars accompanying the notices of the annual meetings of the Corporation in the years 1967 to 1970. On June 25, 1970 the directors of the Corporation authorized the renewal of said agreement for a period of three years on the same terms and conditions, except that the remuneration payable to Montor Management Limited thereunder is at the rate of \$25,000 per annum.

The total amount paid to Montor Management Limited since January 1, 1970 pursuant to said agreement and the renewal thereof was \$38,758, being \$37,708 in fees and \$1,050 in expenses.

Montor Management Limited, 5757 Decelles Avenue, Montreal, Quebec is an Ontario company incorporated to provide management services and is controlled by Mr. Abe Gold, 5500 MacDonald Street, Montreal, Quebec, the President and a director of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

The only item of special business for the meeting is the consideration and, if thought fit, the confirmation (subject to such amendments and/or additions and/or changes, if any, as may be approved at the meeting) of the following by-laws enacted by the directors of the Corporation: (a) By-law No. 40 which repeals By-laws Nos. 29, 30 and 32 to 38 of the by-laws of the Corporation (being all the existing by-laws of the Corporation except for By-laws Nos. 31 and 39 which authorize the directors to borrow money) without prejudice to any action theretofore taken thereunder; (b) By-law No. 41 being a general by-law providing for the conduct of the affairs of the Corporation including the indemnification of the directors and officers and (c) By-law No. 42 being a by-law which provides for the remuneration of each and every director of the Corporation who does not receive any remuneration from the Corporation directly as an officer or employee of the Corporation or indirectly as controlling shareholder of a corporation which receives a management fee from the Corporation at the rate of \$100 per day for each day on which a directors' meeting is held which is attended by him. Copies of By-laws Nos. 40, 41 and 42 above referred to may be inspected at the head office of the Corporation, 15 Melville Street S., Galt, Ontario or at the office of the Secretary of the Corporation, 13th Floor, 320 Bay Street, Toronto, Ontario, during normal business hours at any time prior to the meeting and will also be available for inspection at the meeting.

APPOINTMENT OF AUDITORS

It is intended to vote the proxy solicited hereby to re-appoint the firm of Thorne, Gunn, Helliwell & Christenson as auditors of the Corporation to hold office until the next annual meeting of shareholders. Messrs. Thorne, Gunn, Helliwell & Christenson were first appointed auditors of the Corporation on April 28, 1967, replacing the predecessor firm, Thorne, Mulholland, Howson & McPherson.

VOTING OF PROXIES

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR. TO EXERCISE THIS RIGHT THE SHAREHOLDER MAY INSERT THE NAME OF THE DESIRED PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR MAY SUBMIT ANOTHER APPROPRIATE PROXY.

The shares represented by the proxy will be voted and where a choice with respect to any matter to be acted upon has been specified in the form of proxy the shares will, subject to Section 121 of The Business Corporations Act, 1970 (Ontario), be voted in accordance with the specifications so made.

The form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the notice of the meeting and other matters which may properly come before the meeting.

A shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised. Section 116(4) of The Business Corporations Act, 1970 (Ontario) sets out the procedure for revoking proxies by the deposit of an instrument in writing at the head office of the Corporation or with the Chairman of the meeting.

GENERAL

The management knows of no matters to come before the meeting other than the matters referred to in the foregoing notice of meeting. However, if any other matters which are not now known to the management should properly come before the meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the person voting the proxy.

Dated as of May 18, 1971.

